

**SEC. 637. PREVENTION OF CIRCUMVENTION OF
COURT ORDER BY
WAIVER OF RETIRED PAY TO ENHANCE
CIVIL SERVICE
RETIREMENT ANNUITY.**

(a) CIVIL SERVICE RETIREMENT AND
DISABILITY SYSTEM.—(1)
Subsection (c) of section 8332 of title 5,
United States Code, is
amended by adding at the end the following
new paragraph:

"(4) If, after January 1, 1997, an employee or
Member waives
retired pay that is subject to a court order for which
there has
been effective service on the Secretary concerned for
purposes of
section 1408 of title 10, the military service on which
the retired
pay is based may be credited as service for purposes of
this sub-
chapter only if the employee or Member authorizes
the Director
to deduct and withhold from the annuity payable to the
employee
or Member under this subchapter an amount equal to
the amount
that, if the annuity payment was instead a payment of
the employ-
ee's or Member's retired pay, would have been deducted
and with-
held and paid to the former spouse covered by the
court order
under such section 1408. The amount deducted and
withheld under
this paragraph shall be paid to that former spouse.
The period
of civil service employment by the employee or Member
shall not
be taken into consideration in determining the amount
of the deduc-
tions and withholding or the amount of the payment to
the former
Regulations, spouse. The Director of the Office of
Personnel Management shall
prescribe regulations to carry out this
paragraph."

(2) Paragraph (1) of such subsection is
amended by striking
out "Except as provided in paragraph (2)"
and inserting in lieu
thereof "Except as provided in paragraphs
(2) and (4)."

(h) FEDERAL EMPLOYEES' RETIREMENT
SYSTEM.—(1)
Subsection
(c) of section 8411 of title 5, United
States Code, is amended
by adding at the end the following new
paragraph:

"(5) If, after January 1, 1997, an employee or
Member waives
retired pay that is subject to a court order for which
there has
been effective service on the Secretary concerned for
purposes of
of

section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this chapter only if the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter an amount equal to the amount that, if the annuity payment was instead a payment of the employee's or Member's retired pay, would have been deducted and withheld and paid to the former spouse covered by the court order under such section 1408. The amount deducted and withheld under this paragraph shall be paid to that former spouse. The period of civil service employment by the employee or Member shall not be taken into consideration in determining the amount of the deductions and withholding or the amount of the payment to the former spouse. Regulations. The Director of the Office of Personnel Management shall prescribe regulations to carry out this paragraph."

(2) Paragraph (1) of such subsection is amended by striking "Except as provided in paragraph (2) or (3)" and inserting "Except as provided in paragraphs (2), (3), and (5)".

5 USC 8332 note (c) EFFECTIVE DATE. — The amendments made by subsections (a) and (b) shall take effect on January 1, 1997.